



DEPARTMENT OF ADMINISTRATIVE SERVICES

BULLETIN

**AUDIT REQUIREMENTS for SCHOOL CONSTRUCTION GRANTS
FORM SCG-3075**

TO: Superintendents of Schools
School Business Managers
First Selectman/Mayor

FROM: Melody Currey, Commissioner
Department of Administrative Services

DATE: June 30, 2017

SUBJECT: Audit Documentation Requirements for School Construction Grants

A handwritten signature in blue ink that reads "Melody A. Currey".

In accordance with Connecticut General Statutes Sections 10-286e, 10-287(a) and 10-287i, audits are required of school construction grants prior to final payment. These audits are coordinated through the Department of Administrative Services (DAS) Business Office, in conjunction with the Office of School Construction Grants and Review (OSCG&R).

The purpose of this bulletin is to provide guidance to school districts concerning the documentation requirements associated with these audits. The attached "Audit Documentation and Record Retention Guidelines" should be distributed to appropriate management and financial personnel involved with school construction projects and grants. We recommend that appropriate district personnel, especially fiscal officers and staff, review and maintain these guidelines.

For questions concerning these guidelines or other matters pertaining to the audits of school construction grants, please contact:

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MC.kmk
Attachment

cc: Jerry Lynn, Director, Business Office
Kurian Kurian, Supervising Accounts Examiner, Business Office
Kosta Diamantis, Director, Office of School Construction Grants and Review
Michelle Dixon, Education Consultant, Office of School Construction Grants and Review

DEPARTMENT OF ADMINISTRATIVE SERVICES (DAS)
SCHOOL CONSTRUCTION GRANTS
AUDIT DOCUMENTATION AND RECORD RETENTION GUIDELINES

LIST OF DOCUMENTATION AND RECORDS TO BE MAINTAINED FOR AUDIT PURPOSES

While all project records shall be maintained until the required statutory audit has been completed, the following summarizes the major records and documentation that shall be needed for the audit of a school building project. The items noted on this list include, but are not limited to, the entirety of records and documentation that may be required for audit purposes. **The documentation below should encompass the project period:**

- General Ledger, project ledger or other subsidiary ledger of project costs.
- Cash Disbursement Journals, payment vouchers, paid invoices, contracts, etc.
- Detail schedule of project costs with associated vendor names as reported to the DAS. This should reconcile to check off box #1 above.
- Audited Financial Statements.
- Building Committee Minutes.
- Documentation of "Other Funding" and refunds associated with the project.
- Documentation of site or facility acquisition costs (*if applicable*) including closing statements and land and/or building appraisals, Real Estate Contracts and /or Purchase Agreement.
- Documentation supporting project costs including:
 - Construction contract with bid specifications
 - Evidence of public bidding (*newspaper invoices or ads*)
 - Bidding summaries (*bid tabulation*) for all contracts
 - Original bid documents for any purchase of \$10,000 or more
 - State contract utilized with state contract number
 - All change orders (*including final OSCG&R eligibility determination letters*)
 - All addenda
 - Contractor's Applications for Payment (*Contractor Invoices*)
 - Subcontractor invoices (*for projects with a Construction Manager*)
- Projected enrollment data which supports the highest eight-year projected student enrollment figure submitted to the Department.
- Documentation to support "gross floor area" such as blueprints or architectural drawings identifying existing and new floor area.
- Project Drawings and Specifications with original date stamp from Office of School Construction Grants & Review sign-off meeting.
- Schedules identifying any ineligible or limited eligible items as reported on FORM SCG-4000 Ineligible Costs and Limited Eligible Costs Worksheet (ICW).
- Official offering statements for all bond issues, if applicable.
- Supporting documentation for all derived or prorated amounts.
- Correspondence files.
- Documentation of any lawsuits, arbitration or mediation between Local Education Agencies (LEA's) and contractors. Expense reconciliation between original contracts and settlements should also be available.

NOTE: Section 25 of public Act 07-249 provides that contracts for architectural or construction management services executed on or after July 1, 2007, must be awarded to the lowest responsible qualified bidder only after a public invitation to bid. Supporting documentation for audit purposes includes newspaper invoices or ads, bid summaries and other documentation which supports the district's choice of Design Professional, Owner's Representative, Construction Manager and/or contractor(s).

DOCUMENT RETENTION GUIDELINES

The above noted records and documentation, as well as any other documentation associated with the project must be maintained by the district until notified, in writing, by DAS that the project has been audited and records associated with the project are no longer required by DAS or until final payment has been processed by DAS.